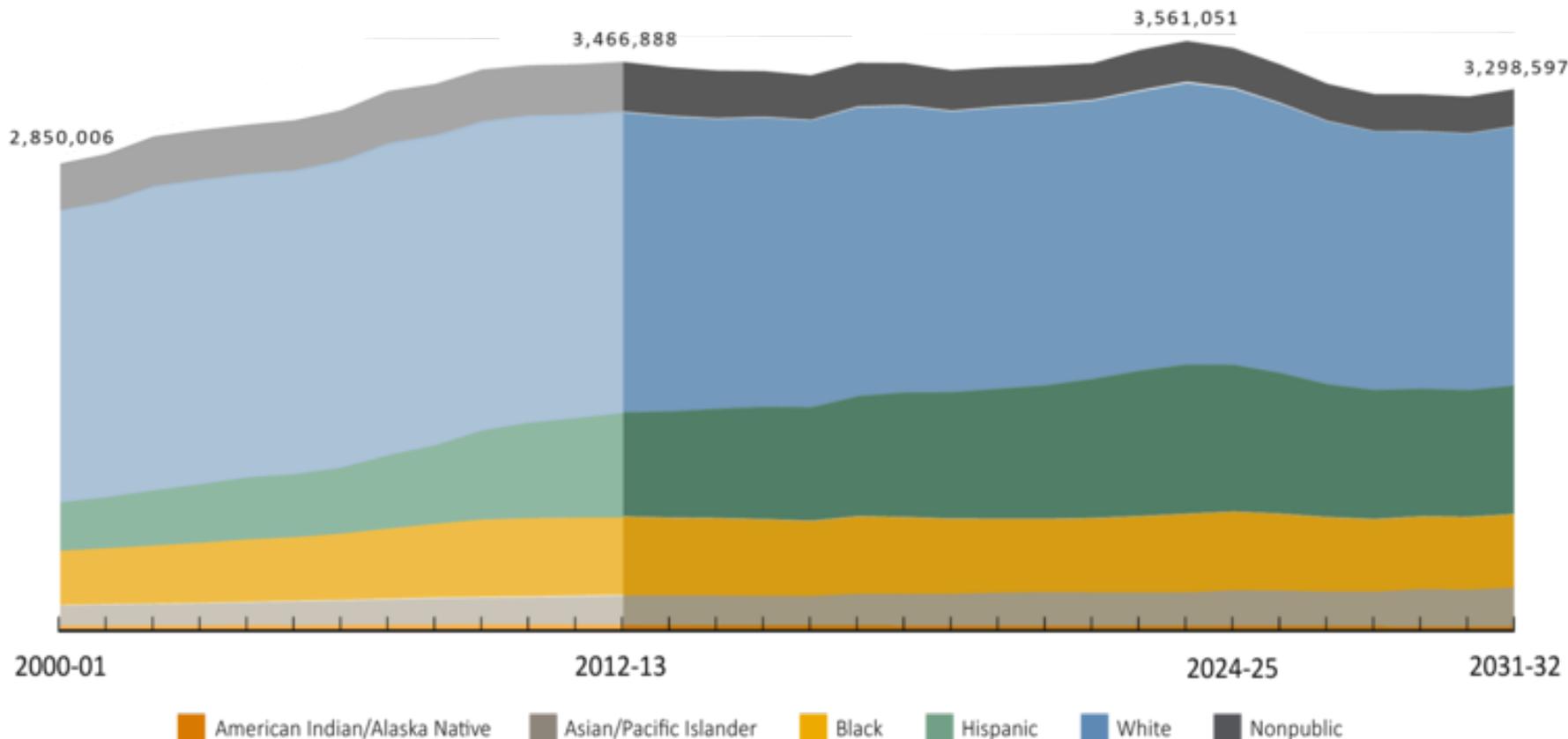
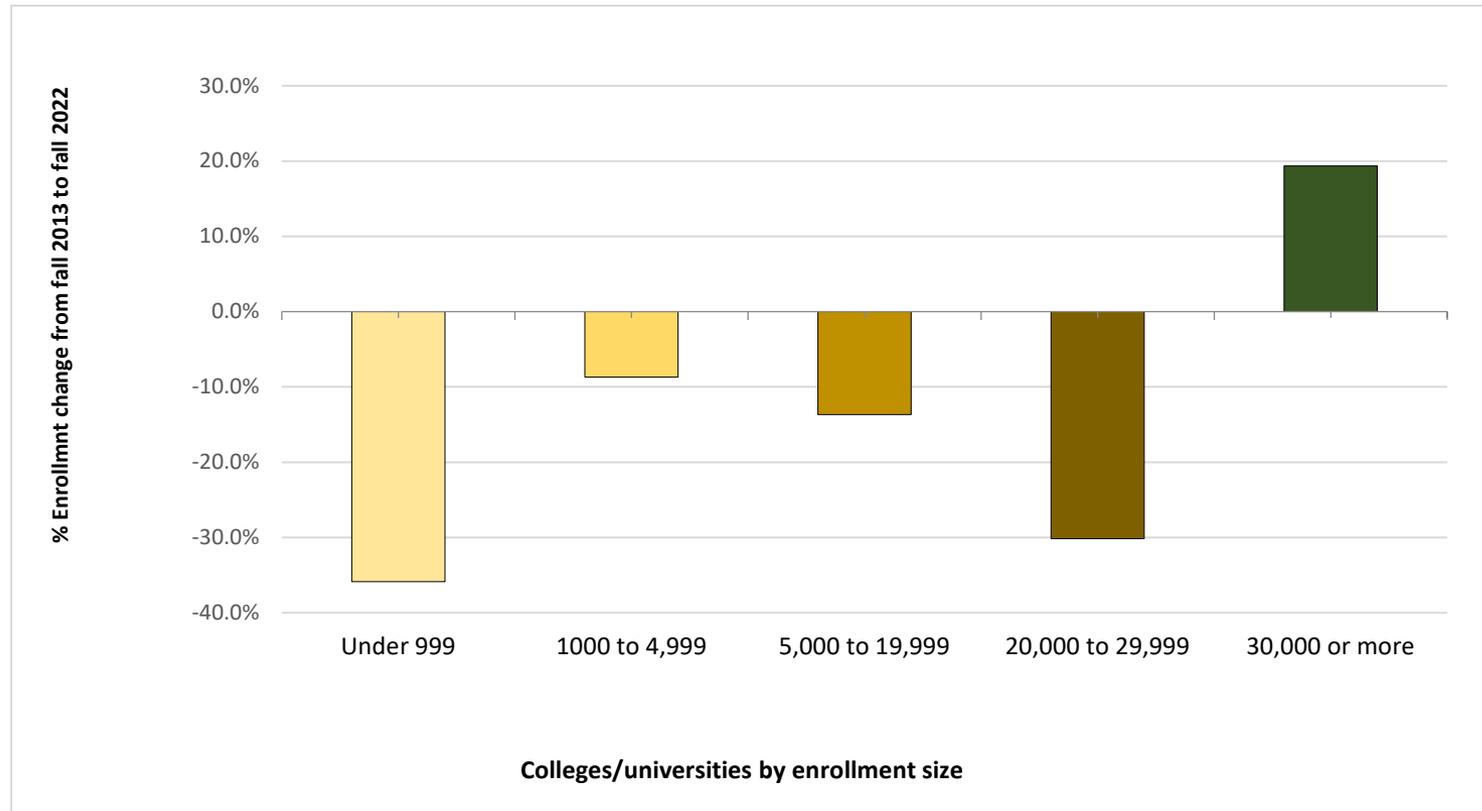


# PRESSURES ON COLLEGES & UNIVERSITIES

Total U.S. Public and Private High School Graduates, by Race/Ethnicity, School Years 2000-01 to 2012-13 (Actual) through 2013-14 to 2031-32 (Projected)



# DECREASE IN ENROLLMENT (2012-2022) BY INSTITUTION SIZE



# RISK FACTORS OF CLOSURE

## Risk factors for closure

### Institutional strength

- ▶ Enrollment under 1,000
- ▶ No complete online program has been developed

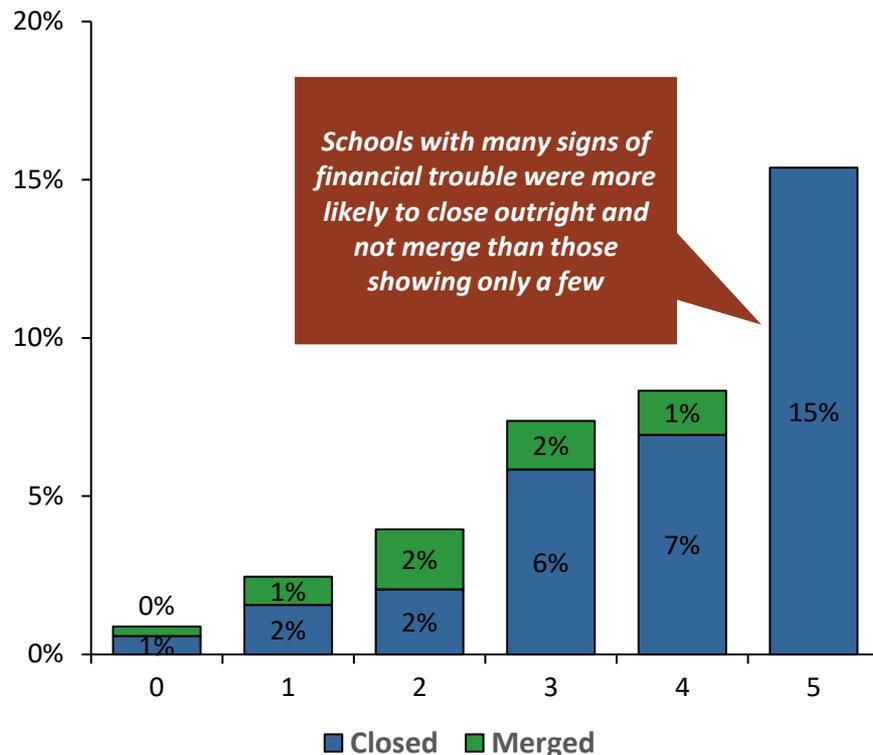
### Revenue generation

- ▶ Annual tuition increases greater than 8%
- ▶ Tuition discount greater than 35%
- ▶ Tuition dependency greater than 85%

### Financial structure

- ▶ Ratio of total endowment to annual expenses < 3:1
- ▶ Debt service greater than 10% of expenses
- ▶ Expenses greater than revenues

Percent of colleges and universities removed from IPEDS since 2007 by number of risk factors in 2007 4-year, private not-for-profit and public institutions



Total # of institutions in 2007

341

895

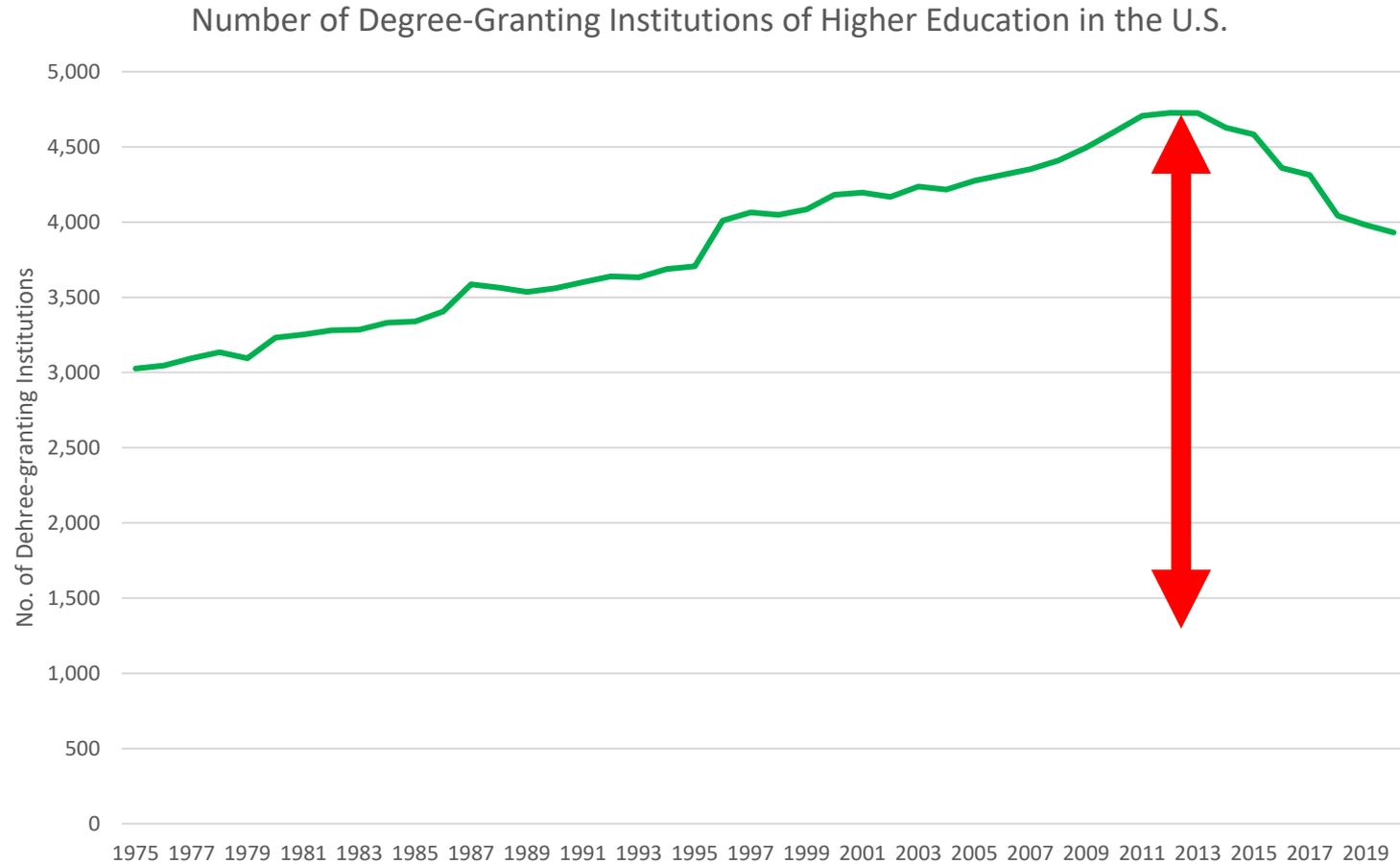
633

325

72

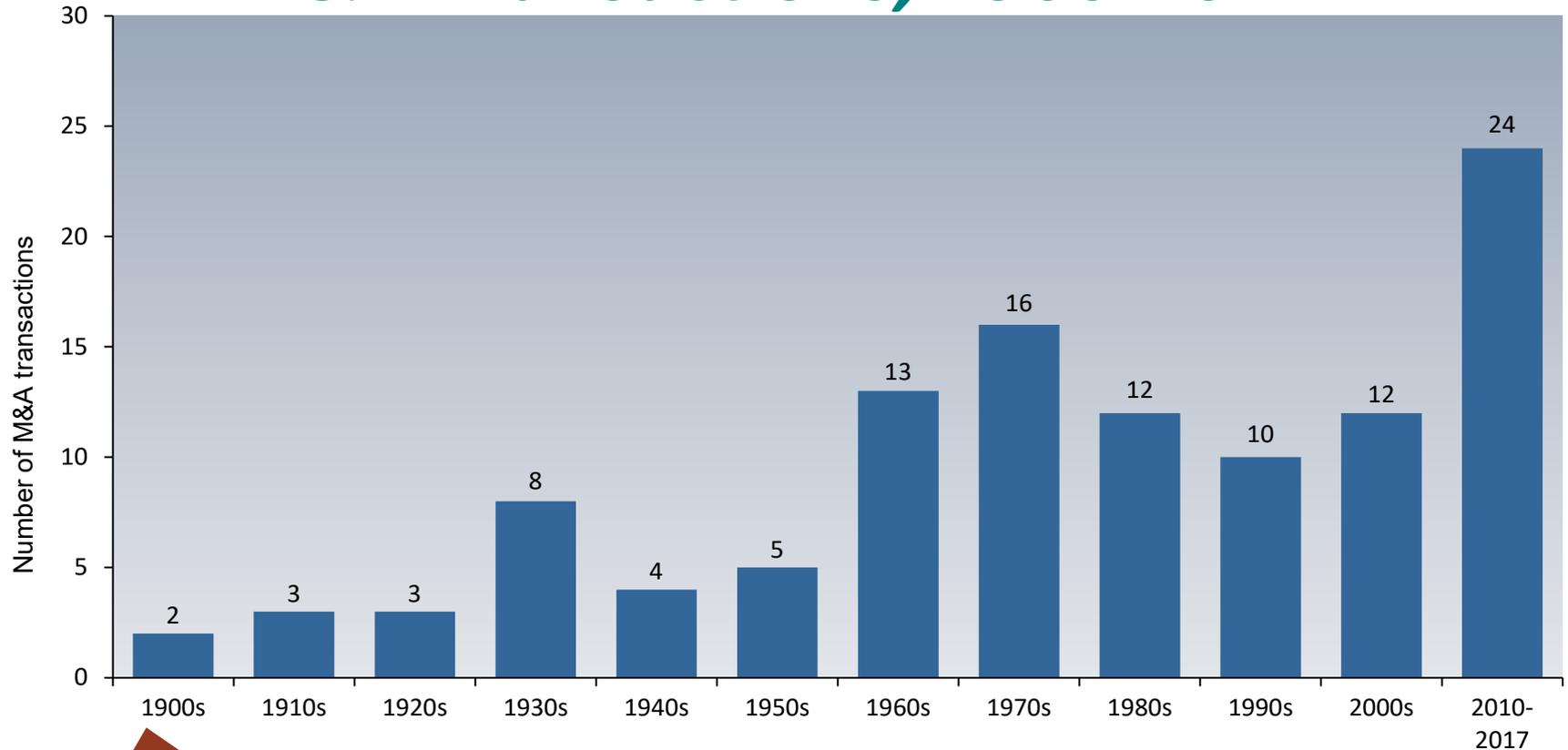
13

# NUMBER OF DEGREE-GRANTING INSTITUTIONS OF HIGHER EDUCATION IN THE U.S. PEAKED IN 2013



# MERGERS IN HIGHER ED IN U.S.:

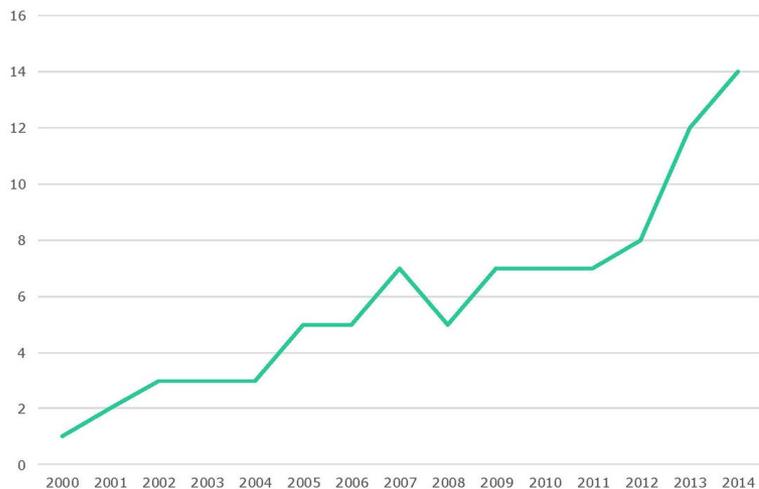
## *M&A Transactions, 1900-2017\**



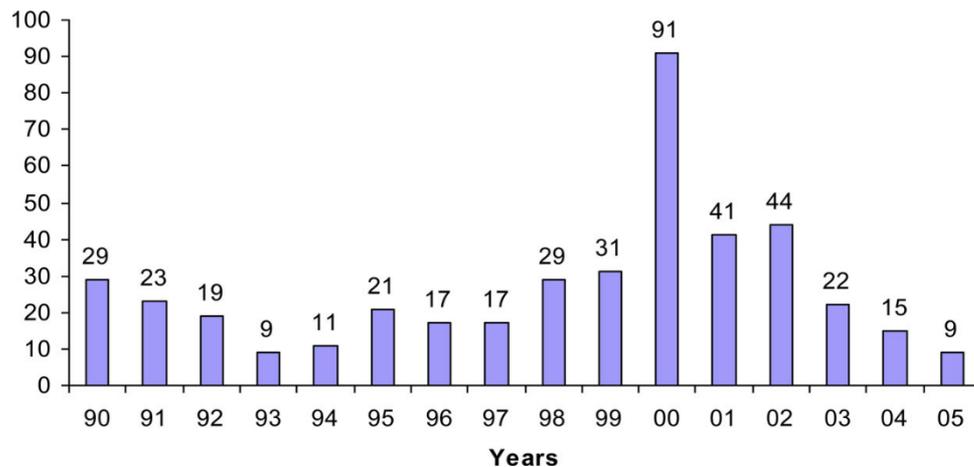
*Note: There are ~10 known M&A transactions from the 19<sup>th</sup> century, the earliest on record took place in 1830*

**\*Note:** Number of M&A transactions is not completely exhaustive – some small-scale or distant-past mergers may not be represented

# MERGERS IN HIGHER EDUCATION: Europe & China

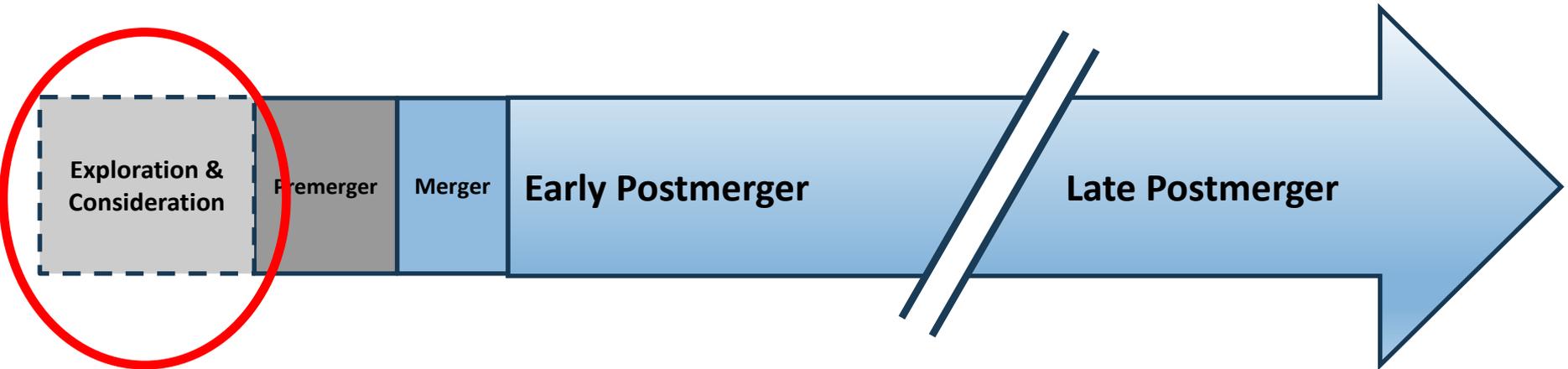


University mergers in Europe: 2000-2014



University mergers in China: 1990-2005

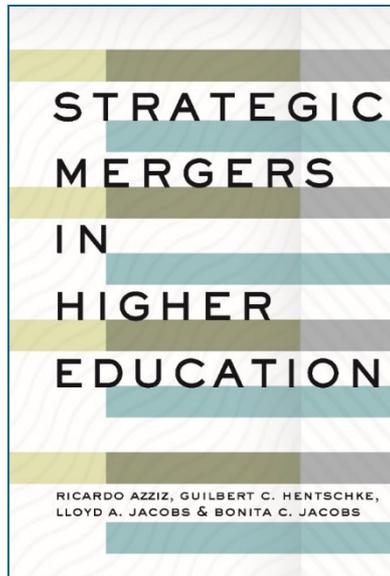
# THE FIVE STAGES OF A MERGER



# IMPACT OF CLOSURES ON STUDENTS (NSCRC/SHEEO report)

- **Schools that closed enrolled larger proportions of students of color, receiving more Pell Grants, and who were also less prepared, compared to open institutions**
- **Most closures are abrupt**
  - 2/3 of students faced a sudden and abrupt institutional closure
  - 1/3 of students experienced an orderly institutional closing
- **An abrupt (and seemingly unplanned) institutional closure negatively impacted its students' chances of re-enrollment**
  - Almost 90% of the more than 52,000 students in the study who did not earn a credential and did not re-enroll experienced an abrupt closure

# 7 ESSENTIAL ELEMENTS FOR MERGER SUCCESS



A committed and understanding governing body

The right leadership

A compelling unifying vision

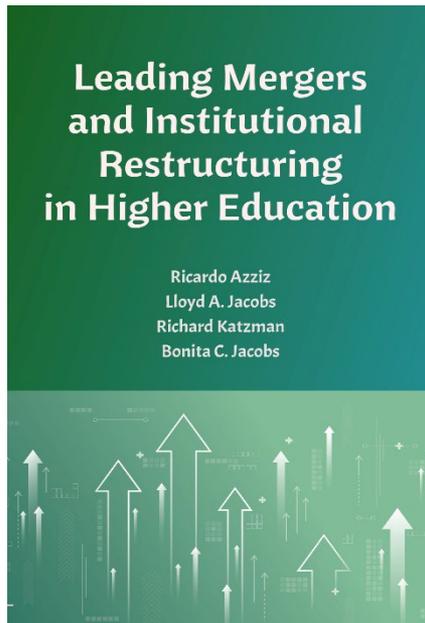
An appropriate sense of urgency

A robust and redundant communication plan

A strong project management system

Sufficient dedicated resources

# SEVEN CRITICAL COMPETENCIES FOR LEADING 'BIG SCARY CHANGE'



Johns Hopkins University Press (e. 2025)

1. Experience and comfort managing significant change, uncertainty, and risk
2. Providing all-inclusive operational envisioning
3. Sensing and driving the pace of change: Setting the drumbeat
4. Prioritizing and driving communication: Creating urgency and selling the vision
5. Building transformative teams and managing delegated work
6. Leading from the front: Directly engaging
7. Courage

# ELEVEN QUESTIONS YOU SHOULD ASK YOURSELF BEFORE ATTEMPTING TO UNDERTAKE 'BIG SCARY CHANGE'

1. ***“I want to be loved.”***
2. ***“I don’t like conflict.”***
3. ***“I don’t like making difficult decisions.”***
4. ***“I want to have all the data before making any major decision.”***
5. ***“I find it hard to make changes to my team.”***
6. ***“I don't believe in the vision.”***
7. ***“I don't believe things are as bad as they say.”***
8. ***“I just don't see a path forward.”***
9. ***“I am not willing to risk my career.”***
10. ***“I am financially insecure, and my family is heavily dependent on my current job.”***
11. ***“I believe the process should be fully transparent and should fully engage the entire college community at all times.”***